

| United States<br>Department of<br>Agriculture          | February 16, 2016                   |   |  |  |
|--|-------------------------------------|---|--|--|
|  | INFORMATIONAL MEMORANDUM: PM-16-011 |   |  |  |
| Farm and Foreign<br>Agricultural<br>Services           | TO:                                 | All Approved Insurance Providers<br>All Risk Management Agency Field Offices  |  |  |
| Risk<br>Management<br>Agency                           |                                     | All Other Interested Parties  |  |  |
| Beacon Facility –<br>Mail Stop 0801<br>P.O. Box 419205 | FROM:                               | Tim B. Witt /s/Rodger M. Matthews, for.<br>Deputy Administrator   |  |  |
| Kansas City, MO<br>64141-6205                          | SUBJECT:                            | 2016 Crop Year (CY) <b>Common Crop Insurance Policy</b> and <b>Area Risk</b><br><b>Protection Insurance</b> Projected Prices and Volatility Factors |  |  |

## <u>Common Crop Insurance Policy & Area Risk Protection Insurance 1</u>

The 2016 CY **projected prices** shown below are approved for the Yield Protection, Area Yield Protection, Revenue Protection, Area Revenue Protection, Revenue Protection with Harvest Price Exclusion and Area Revenue Protection - Harvest Price Exclusion plans of insurance. The 2016 CY **volatility factors** shown below are approved for the Revenue Protection, Area Revenue Protection, Revenue Protection with Harvest Price Exclusion and Area Revenue Protection, Revenue Protection with Harvest Price Exclusion and Area Revenue Protection - Harvest Price Exclusion plans of insurance. The projected prices and volatility factors apply to policies with a **February 28 sales closing date**, *unless otherwise indicated*, and are applicable for the crops, types, practices and states indicated below:

|  |          |                   | Projected     | Volatility |
|--|----------|-------------------|---------------|------------|
| Crop/Type/Practice/State   | Exchange | Contract          | Price         | Factor     |
| <b>Corn</b><br>Alabama, Florida, Georgia,<br>Louisiana & South Carolina                    | СВОТ     | September<br>Corn | \$3.81/bushel | 0.17       |
| <b>Corn - Organic Practice</b><br>Alabama, Florida, Georgia,<br>Louisiana & South Carolina | СВОТ     | September<br>Corn | \$8.31/bushel | 0.17       |
| <b>Corn</b><br>Arkansas & Mississippi  | CBOT     | December<br>Corn  | \$3.89/bushel | 0.17       |
| <b>Corn - Organic Practice</b><br><i>Arkansas &amp; Mississippi</i>                        | CBOT     | December<br>Corn  | \$8.49/bushel | 0.17       |

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

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|   |          |                    | Projected     | Volatility |
|---|----------|--------------------|---------------|------------|
| Crop/Type/Practice/State  | Exchange | Contract           | Price         | Factor     |
| <b>Corn</b><br>North Carolina   | СВОТ     | December<br>Corn   | \$3.89/bushel | 0.17       |
| <b>Corn - Organic Practice</b><br><i>North Carolina</i>   | СВОТ     | December<br>Corn   | \$8.49/bushel | 0.17       |
| <b>Corn</b><br>Arizona, California & Nevada   | СВОТ     | December<br>Corn   | \$3.89/bushel | 0.19       |
| <b>Corn - Organic Practice</b><br><i>Arizona, California &amp; Nevada</i>                                 | CBOT     | December<br>Corn   | \$8.49/bushel | 0.19       |
| Cotton<br>All States  | ICE      | December<br>Cotton | \$0.62/pound  | 0.14       |
| <b>Cotton – Organic Practice</b><br>All States  | ICE      | December<br>Cotton | \$1.22/pound  | 0.14       |
| <b>Grain Sorghum</b><br>Alabama, Florida, Georgia<br>& South Carolina                                     | СВОТ     | December<br>Corn   | \$3.75/bushel | 0.16       |
| <b>Grain Sorghum – Organic</b><br><b>Practice</b><br><i>Alabama, Florida, Georgia</i><br>& South Carolina | СВОТ     | December<br>Corn   | \$5.73/bushel | 0.16       |
| <b>Grain Sorghum</b><br>Arkansas, Louisiana & Mississippi   | СВОТ     | December<br>Corn   | \$3.75/bushel | 0.17       |
| <b>Grain Sorghum – Organic</b><br><b>Practice</b><br><i>Arkansas, Louisiana &amp; Mississippi</i>         | СВОТ     | December<br>Corn   | \$5.73/bushel | 0.17       |

# <u>Common Crop Insurance Policy & Area Risk Protection Insurance 1</u>

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO) and Stacked Income Protection (STAX - cotton only).

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| Crop/Type/Practice/State   | Exchange     | Contract  | Projected<br>Price | Volatility<br>Factor |
|--|--------------|---|--------------------|----------------------|
| <b>Grain Sorghum</b><br>Arizona, California &<br>North Carolina  | СВОТ         | December<br>Corn  | \$3.75/bushel      | 0.19                 |
| <b>Grain Sorghum – Organic</b><br><b>Practice</b><br><i>Arizona, California &amp;</i><br><i>North Carolina</i>                               | СВОТ         | December<br>Corn  | \$5.73/bushel      | 0.19                 |
| <b>Peanuts – Runner Type</b><br>Alabama, Arkansas, Florida,<br>Georgia, Louisiana, Mississippi,<br>North Carolina, South Carolina<br>& Texas | CBOT/<br>ICE | December<br>Wheat, Cotton,<br>Soybean Oil &<br>Soybean Meal | \$0.2039/pound     | 0.10                 |
| <b>Peanuts – Spanish Type</b><br>Alabama, Arkansas, Florida,<br>Georgia, Louisiana, Mississippi<br>& Texas                                   | CBOT/<br>ICE | December<br>Wheat, Cotton,<br>Soybean Oil &<br>Soybean Meal | \$0.2916/pound     | 0.10                 |
| <b>Peanuts – Virginia Type</b><br>Alabama, Florida, Georgia,<br>Mississippi, North Carolina &<br>South Carolina                              | CBOT/<br>ICE | December<br>Wheat, Cotton,<br>Soybean Oil &<br>Soybean Meal | \$0.2467/pound     | 0.10                 |
| <b>Popcorn</b><br><i>March 15 Sales Closing Date</i><br><i>Alabama</i>   | СВОТ         | September<br>Corn   | \$0.1676/pound     | 0.17                 |
| <b>Popcorn – Organic Practice</b><br><i>March 15 Sales Closing Date</i><br><i>Alabama</i>  | СВОТ         | September<br>Corn   | \$0.2416/pound     | 0.17                 |

## <u>Common Crop Insurance Policy & Area Risk Protection Insurance 1</u>

<sup>1</sup> Projected Prices and Volatility Factors are applicable for the Supplemental Coverage Option (SCO).

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| Crom/Trues/Duesties/State  | Tuchanas | Contract          | Projected<br>Price | Volatility<br>Factor |
|--|----------|-------------------|--------------------|----------------------|
| Crop/Type/Practice/State   | Exchange | Contract          | Price              | Factor               |
| Rice – Long Grain Type & No Type   | СРОТ     | September         | ¢0 117/manual      | 0.12                 |
| Specified  | CBOT     | Rice              | \$0.117/pound      | 0.13                 |
| Louisiana<br>Diasa Lang Crusin Tana 8 Na Tana                                  |          |                   |                    |                      |
| Rice – Long Grain Type & No Type   | CBOT     | September         | \$0.157/nound      | 0.13                 |
| <b>Specified; Organic Practice</b><br>Louisiana                                | CDUI     | Rice              | \$0.157/pound      | 0.15                 |
|  |          | Sontombor         |                    |                      |
| <b>Rice – Medium/Short Grain Types</b><br>Louisiana                            | CBOT     | September<br>Rice | \$0.133/pound      | 0.13                 |
|  |          | Rice              |                    |                      |
| Rice – Medium/Short Grain Types;   | CBOT     | September         | φ <u>0</u> 170/ 1  | 0.13                 |
| Organic Practice   | СБОТ     | Rice              | \$0.179/pound      | 0.15                 |
| Louisiana<br>Diasa Lang Crusin Tana 8 No Tana                                  |          |                   |                    |                      |
| Rice – Long Grain Type & No Type   | CBOT     | November          | ¢0.110/mayind      | 0.15                 |
| Specified  | CBOI     | Rice              | \$0.119/pound      | 0.15                 |
| Arkansas, Mississippi & Texas  |          |                   |                    |                      |
| Rice – Long Grain Type & No Type   | CBOT     | November          | \$0.150/nound      | 0.15                 |
| <b>Specified; Organic Practice</b><br><i>Arkansas, Mississippi &amp; Texas</i> | СБОТ     | Rice              | \$0.159/pound      | 0.15                 |
| Rice – Medium/Short Grain Types  |          | November          |                    |                      |
| • 1  | CBOT     | Rice              | \$0.136/pound      | 0.15                 |
| Arkansas, Mississippi & Texas  |          | Rice              |                    |                      |
| Rice – Medium/Short Grain Types;   | CDOT     | November          | ¢0.192/pound       | 0.15                 |
| Organic Practice   | CBOT     | Rice              | \$0.182/pound      | 0.15                 |
| Arkansas, Mississippi & Texas  |          |                   |                    |                      |
| Rice – Long Grain Type & No Type   |          | November          |                    |                      |
| Specified  | CBOT     | Rice              | \$0.119/pound      | 0.16                 |
| California, Illinois, Missouri, Oklahoma                                       |          | Rice              |                    |                      |
| & Tennessee<br>Bigg I and Crain Type & No Type                                 |          |                   |                    |                      |
| Rice – Long Grain Type & No Type   |          | November          |                    |                      |
| Specified; Organic Practice  | CBOT     | Rice              | \$0.159/pound      | 0.16                 |
| California, Illinois, Missouri, Oklahoma<br>& Tennessee                        |          | Rice              |                    |                      |
| & Tennessee  |          |                   |                    |                      |

# Common Crop Insurance Policy & Area Risk Protection Insurance <sup>1</sup>

<sup>1</sup> Projected Prices and Volatility Factors are applicable the Supplemental Coverage Option (SCO).

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|                                    |          |          | Projected      | Volatility |
|------------------------------------|----------|----------|----------------|------------|
| Crop/Type/Practice/State           | Exchange | Contract | Price          | Factor     |
| Rice – Medium/Short Grain          |          | November |                |            |
| Types                              | CBOT     | Rice     | \$0.168/pound  | 0.16       |
| California                         |          | Rice     |                |            |
| Rice – Medium/Short Grain          |          | November |                |            |
| Types; Organic Practice            | CBOT     | Rice     | \$0.225/pound  | 0.16       |
| California                         |          | Rice     |                |            |
| Rice – Medium/Short Grain          |          |          |                |            |
| Types                              | CBOT     | November | \$0.136/pound  | 0.16       |
| Illinois, Missouri, Oklahoma       | CDOT     | Rice     | \$0.130/pound  | 0.10       |
| & Tennessee                        |          |          |                |            |
| Rice – Medium/Short Grain          |          |          |                |            |
| <b>Types; Organic Practice</b>     | СВОТ     | November | \$0.182/pound  | 0.16       |
| Illinois, Missouri, Oklahoma       | CDOT     | Rice     | \$0.182/pound  | 0.10       |
| & Tennessee                        |          |          |                |            |
| Soybeans                           |          | November |                |            |
| Arkansas, Louisiana, Mississippi   | CBOT     | Soybeans | \$8.86/bushel  | 0.14       |
| & Texas                            |          | Soybeans |                |            |
| Soybeans - Organic Practice        |          | November |                |            |
| Arkansas, Louisiana, Mississippi & | CBOT     |          | \$16.87/bushel | 0.14       |
| Texas                              |          | Soybeans |                |            |
| Soybeans                           |          | January  |                |            |
| Alabama, Florida, Georgia,         | CBOT     | (2017)   | \$8.91/bushel  | 0.14       |
| North Carolina & South Carolina    |          | Soybeans |                |            |
| Soybeans - Organic Practice        |          | January  |                |            |
| Alabama, Florida, Georgia,         | CBOT     | (2017)   | \$16.96/bushel | 0.14       |
| North Carolina & South Carolina    |          | Soybeans |                |            |

## <u>Common Crop Insurance Policy & Area Risk Protection Insurance 1</u>

<sup>1</sup> Projected Prices and Volatility Factors are applicable the Supplemental Coverage Option (SCO).

### DISPOSAL DATE

December 31, 2016